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SAMPLE 1 - PERFORMANCE BASED CONTRACT

In performing the requirements of this contract, the contractor will utilize the technical and management approaches proposed in response to the solicitation. The contractor is allowed flexibility in performance of this contract to the extent that performance outcomes specified in Section C of the contract and offered in the proposal are not degraded. Both parties recognize the contractor's proposal in response to the solicitation as the baseline for performance.

SAMPLE 2 - CONTRACTOR RESPONSIBILITY

a. Work to be performed and required deliverables shall be described in task orders to be placed against the contract by the Ordering Officer and shall be within the parameters of one or more of the general tasks listed below.

b. As may be required to perform the level of effort described in the task order, the Contractor shall furnish all labor and facilities; fabricate, assemble, receive, inventory, verify, package, store, and ship material and equipment necessary for the performance of these efforts. The Contractor shall acquire or procure those incidental material items necessary to complete tasking.

c. The Contractor is solely responsible for the technique, which will be used to fulfill the terms of this Statement of Work (SOW). Further, the Contractor remains solely responsible for control and supervision of employees while performing under this contract.

d. The Contractor is solely responsible for the safety of employees while working on-board ships, when working in tanks and confined spaces. The contractor shall comply with all regulations relating to shipboard industrial safety, equipment tag out, and environmental control and shall perform atmospheric safety certification when work is required in tanks and unventilated spaces.

e. The contractor shall ensure that all contractor personnel performing electrical and/or electronic work are CPR certified.

f. The contractor shall provide certification for welders and shall ensure that these and any other contractor personnel requiring certification carry a copy of their certification at all times while performing under this contract.

g. The contractor shall be responsible for obtaining any passports and visas that may be required by his personnel to support tasks performed under this contract.

SAMPLE 3 - PBSC POSITIVE MATERIAL MANAGEMENT INCENTIVE

The contractor is encouraged to use innovative material management procedures, and timely, cost effective repair procedures to minimize the cost to the Government for the reimbursable materials needed to support flight hour, aircraft inventory and readiness objectives. The Government's estimated material costs, as contained in Section B reimbursable CLINs OX24, OX31, OX55 and OX62, are based upon actual material costs. The Government estimated option year costs contained in Section B for the reimbursable material CLINs are stated in constant fiscal year-1994 dollars. These estimates will be adjusted to reflect actual Bureau of Labor Statistics price escalations (+ -) from the third quarter of calendar year 1994 to the fourth quarter of each option year, as combined and published in the DRI/McGraw-Hill, Long-Range Focus, Table Q9, Aircraft Producer Price Index, PPI3721NS, before calculating incentive payment amounts. The Government will provide incentive payments to the contractor for achieving actual material costs that are lower than the Government's estimated costs for the above cited material CLINs for Option Year I through Option Year V in accordance with the following formulas:

T-34 Material Incentive

$T-34 \text{ Estimated A/C} / T-34 \text{ Actual A/C} = T-34 \text{ A/C } \%, \text{ Delta}$

$T-34 \text{ DRI Adjusted Estimate} / T-34 \text{ A/C } \% - \text{Delta} = T-34 \text{ Adjusted Estimated Cost}$

$T-34 \text{ Adjusted Estimated Cost} - T-34 \text{ Actual Cost} = T-34 \text{ Total cost Avoidance}$

$T-34 \text{ Total Cost Avoidance} \times 15\% = T-34 \text{ Incentive Payment}$

Where; T-34 Estimated A/C = arithmetic average number of T-34 aircraft estimated under Section B CLINs OX01 and the arithmetic average number of aircraft supported at the satellite sites for the option period.

And; T-34 Actual A/C = arithmetic average number of T-34 aircraft ordered under CLINs OX01 and the arithmetic average number of aircraft supported at the satellite sites for the option period.

And; T-34 DRI Adjusted Estimate = total government estimated Section B costs for CLINs OX24 + OX31 X (DRI factor for Option period / DRI factor for 3rd Qtr Calendar Year 1994).

And; T-34 Actual Cost = total actual Option period Costs for CLINs OX24 + OX31.

In all cases, the T-34 Material Incentive Payments will be greater than or equal to \$0.00 for each option period. A single T-34 incentive payment will be calculated at the end of each option period based upon the above formula and the data as existing at the end of the option period.

T-44 Material Incentive

$T-44 \text{ Estimated A/C} / T-44 \text{ Actual A/C} = T-44 \text{ A/C } \%, \text{ Delta}$

$T-44 \text{ DRI Adjusted Estimate} / T-44 \text{ A/C } \% - \text{Delta} = T-44 \text{ Adjusted Estimated Cost}$

$T-44 \text{ Adjusted Estimated Cost} - T-44 \text{ Actual Cost} = T-44 \text{ Total cost Avoidance}$

$T-44 \text{ Total Cost Avoidance} \times 15\% = T-44 \text{ Incentive Payment}$

Where; T-44 Estimated A/C = arithmetic average number of T-44 aircraft estimated under Section B CLINs OX33 and the arithmetic average number of aircraft supported at the satellite sites for the option period.

And; T-44 Actual A/C = arithmetic average number of T-44 aircraft ordered under CLINs OX33

and the arithmetic average number of aircraft supported at the satellite sites for the option period.

And; T-44 DRI Adjusted Estimate = total government estimated Section B costs for CLINs OX55 + OX62 X (DRI factor for Option period / DRI factor for 3rd Qtr Calendar Year 1994).

And; T-44 Actual Cost = total actual Option period costs for CLINs OX55 + OX62.

In all cases, the T-44 Material Incentive Payments will be greater than or equal to \$0.00 for each option period. A single T-44 incentive payment will be calculated at the end of each option period based upon the above formula and the data as existing at the end of the option period.

SAMPLE 4 - NEGATIVE INCENTIVE ON LATE PERFORMANCE DELAYS

(a) The contractor is required to make every effort to complete each service without delay or detention. Costs due to any type of delay not caused by the Government shall be at the contractor's expense. The Contractor shall receive a deduction of 50,000 Italian Lire for each hour of delay that is not adequately evidenced in writing as indicated in the clause entitled "Reduction in Price for Late Performance of Services".

(b) In the event of delays that are not the fault of the contractor, the contractor shall notify the ordering officer immediately. For such delays the contractor is responsible for providing evidence that its truck was delayed due to reasons beyond its control.

REDUCTION IN PRICE FOR LATE PERFORMANCE OF SERVICES

(a) If the Contractor fails to furnish any truck within the time specified in an order issued hereunder, the Contracting Officer or Ordering Officer may deduct from the contractor's invoice 50,000 Italian Lire per hour, or fraction thereof.

(b) No reduction shall be made unless the truck is more than one hour late. However, the one-hour grace period shall not be taken into consideration in calculating price reductions for periods of tardiness in excess of one hour.

(c) This reductions also applies for any delays or late performance that occur during Sunday or holiday times.

SAMPLE 5 - INCENTIVE TO PROPERLY MAINTAIN EQUIPMENT AND MAKE TIMELY REPAIRS

The contractor shall maintain the machine to assure maximum down time of three days (72 hours). When the down time exceeds 72 hours, the Contractor shall deliver and install a back-up machine (same brand and model) to use during the down time.

SAMPLE 6 - PBSC NEGATIVE AIRCRAFT AVAILABILITY INCENTIVE Minimum Performance Standards.

The Contractor shall perform the following minimum performance standards. The Mission Capable (MC) performance standard and the ground abort performance standard apply to all aircraft operating sites (Chief, Naval Aviation Training (CNATRA) and Satellite Sites). The Daily Aircraft Availability performance standard applies to the CNATRA sites only.

Minimum Mission Capable (MC) Standard

The contractor shall maintain the T-34C and T-44A aircraft at the Training Command Sites (COMTRAWING FOUR, COMTRAWING FIVE, and COMTRAWING SIX) and the T-34C aircraft at the satellite sites to meet a minimum MC rate of 80%, per site, per month. MC is determined in accordance with the Mission Essential Subsystems Matrix (MESM), per the enclosure. The Contractor shall ensure not more than 5% of the Mission Capable (MC) aircraft assigned for specific flight events, for any single month, shall be cancelled due to ground aborts. A ground abort is defined as an MC aircraft which fails to meet its specific event/mission due to equipment failure, system failure, or maintenance or material deficiency.

Minimum Daily Aircraft Availability Standard (CNATRA SITES ONLY) - At each CNATRA operating site, the Contractor shall provide each day for which a flight schedule is published (during hours of scheduled operations), not less than 75% (daily average) of the available daily aircraft hours, or 100% of the aircraft required to meet the scheduled flight events, whichever is less, in a Ready for Training (RFT) status. If the number of aircraft successfully launched is equal to the number of flights scheduled, the contractor will have achieved the 75% RFT and the formula will not be calculated. Otherwise, for purposes of quantifying the achieved RFT percent each day at each operating site, the following formula will be applied.

$$\text{Daily RFT\%} = \frac{\text{Total Hours in RFT Status}}{\text{Total Available Daily Aircraft Hours}} \times 100$$

And where:

(a) Total Hours in RFT Status equals the sum of the daily RFT hours reported for each RFT status aircraft under CDRLs A006 and B006 and verified by the Government.

(b) Total Available Daily Aircraft Hours equals the sum of A30 status hours reported for each A30 status aircraft, in accordance with Paragraph 4.9.3.1, in addition to the daily available aircraft hours for those aircraft exceeding ACI TAT.

(c) RFT hours are calculated for each aircraft in RFT status. An aircraft in RFT status is defined as an aircraft released safe for flight and available for issue, by BUNO, to a scheduled instructional flight event not later than one hour prior to a scheduled launch time and capable of performing that event until the Aircraft Discrepancy Book (ADB) is completed and returned to the contractor at the end of the scheduled event, or until the contractor removes the aircraft from RFT status for maintenance. The aircraft which cannot be released solely due to nonavailability of refueling resources will be considered RFT. Aircraft awaiting Functional Check Flight (FCF) will be considered RFT (See subparagraph f).

(d) Available daily aircraft hours are calculated from one hour prior to the first scheduled launch until the last scheduled flight is launched.

(e) The Contractor shall not be credited for more than 75% RFT daily.

(f) The Government will track daily RFT percentage to four significant digits (two whole numbers and two decimal places). If an aircraft presented to the Government for FCF is later determined not to be RFT, daily RFT percentage will be recalculated.

NOTE: The 75% rate is considered a critical contract factor for determining satisfactory contract performance. Daily RFT percent will be calculated separately for the T-34C and T-44A aircraft. The Contractor's compliance with the RFT requirement will be determined through Subsystem Capability Impact Reporting (SCIR) data (see Section 4, Paragraph 4.9.3.) and RFT reporting on CDRLS A006 and B006. The Contractor shall report to the government each day the previous day's SCIR and RFT hours for the period of daily flight operations. Daily flight operations are one hour prior to the first scheduled flight, until the last scheduled flight is launched.

Payment Adjustment: The contractor is required to maintain the T-34C and T-44A fleet of aircraft to meet a daily Ready for Training (RFT) of 75%. Therefore, when less than a daily 75% RFT rate is achieved for CLINs OX01 and OX33, the Government will apply a payment adjustment as follows:

$$AE = (RFT \text{ Rate} / .75) \times AD$$

Where:

RFT Rate = Actual daily RFT rounded to nearest whole percent.

AD = amount of daily payment contractor would be due assuming 75% RFT rate (monthly payment / number of days in month)

AE = amount contractor earned and should receive for the day based upon the actual RFT rate.

The payment adjustment formula will be calculated for the CNATRA sites each day that the contractor does not achieve 75% RFT. On days for which there are no flight operations scheduled, the Contractor will be credited with 75% RFT. The payment adjustment formula will be calculated twice at CNATRA sites that have both types of aircraft, once using the average actual RFT rate for the T-34C aircraft and a second time using the average actual RFT rate for the T-44A aircraft.

The amount paid the contractor at the end of each month will be equal to or less than the monthly amounts cited in Section B for CLINs OX01 and OX33. Therefore, the amount earned (AE), will be less than or equal to the amount due (AD).

SAMPLE 7 - ADDITION OR SUBSTITUTION OF PERSONNEL

(a) A requirement of this contract is to maintain stability of personnel proposed in order to provide quality services. The Contractor shall assign only those key personnel listed in the Attachment whose resumes were approved and who are necessary to fulfill the requirements of the effort. The Contractor shall assign to any effort requiring non-key personnel only personnel who meet or exceed the applicable labor category descriptions.

(b) In the award of this contract, the Government may not have accepted all key personnel submitted by the Contractor. If 100% of the proposed personnel are not acceptable, then the Contractor shall, within 14 days of the award date of the contract, provide the resumes of proposed additional personnel along with information regarding the full financial impact of the change.

(c) No key personnel substitutions or additions will be made unless necessitated by compelling reasons including, but not limited to, an individual's illness, death, termination of employment, declining an offer of employment (for those individuals proposed as contingent hires), or maternity leave. In such an event, the Contractor shall promptly provide the information required by paragraph (d) below to the Contracting Officer for approval prior to the substitution or addition of key personnel. Proposed substitutions of key personnel shall meet or exceed the qualifications of personnel for whom they are proposed to replace. Fully compliant requests for substitutions or additions shall be submitted, in writing, to the Contracting Officer for approval at least 15 working days in advance of the proposed change.

(d) Requests for key personnel changes shall provide a detailed explanation of the circumstances necessitating the proposed substitutions or additions, a complete resume of the proposed change in accordance with the Attachment (resume format), information regarding the full financial impact of the change, and any other information requested by the Contracting Officer.

(e) Any addition or substitution of key personnel made pursuant to this clause shall result in no increase in the fully burdened hourly rate for the subject category set forth in Section B. However, such rate may be subject to downward negotiation if the addition or substitution results in a decrease to the rate for the category in which the substitution was made.

(f) Noncompliance with the provisions of this clause will be considered a material breach of the terms and conditions of the contract for which the Government may seek any and all appropriate remedies including Termination for Default pursuant to the Termination clause.

SAMPLE 8 - SUBSTITUTION OR ADDITION OF PERSONNEL

(a) The offeror agrees to assign to the contract those persons whose resumes, personnel data forms or personnel qualification statements were submitted as required in Section L to fill the requirements of the contract.

(b) The offeror agrees that during the contract performance period; no personnel substitutions will be permitted unless such substitutions are necessitated by an individual's sudden illness, death or termination of employment. In any of these events, the contractor shall promptly notify the Contracting Officer and provide the information required by paragraph (d) below.

(c) If personnel for whatever reason become unavailable for work under the contract for a continuous period exceeding 30 working days, or are expected to devote substantially less effort to the work than indicated in the proposal, the contractor shall propose a substitution of such personnel, in accordance with paragraph (d) below.

(d) All proposed substitutions shall be submitted, in writing, to the Contracting Officer at least 15 days prior to the proposed substitution. Each request shall provide a detailed explanation of the circumstances necessitating the proposed substitution, a complete resume for the proposed substitute and any other information required by the Contracting Officer. All proposed

substitutes shall have qualifications equal to or higher than the qualifications of the person being replaced.

(e) In the event a requirement to increase the specified level of effort for a designated labor category, but not the overall level of effort of the contract occurs, the offeror shall submit to the Contracting Officer a written request for approval to add personnel to the designated labor category. The information required is the same as that required for paragraph (d) above. The additional personnel shall have qualifications greater than or equal at least one of the individuals proposed for the designated labor category.

(f) The Contracting Officer shall evaluate requests for substitution and addition of personnel and promptly notify the offeror, in writing, of whether the request is approved or disapproved.

(g) If the Contracting Officer determines that suitable and timely replacement of personnel who have been reassigned, terminated or have otherwise become unavailable to perform under the contract is not reasonably forthcoming or that the resultant reduction of productive effort would impair the successful completion of the contract or the delivery order, the contract may be terminated for default or for the convenience of the Government. Alternatively, if the Contracting Officer finds the contractor to be at fault for the condition, the Contracting Officer may equitably adjust (downward) the contract price or fixed fee to compensate the Government for any delay, loss or damage.

SAMPLE 9 - KEY PERSONNEL

(a) The Contractor agrees to assign to the contract tasks those persons whose resumes were submitted with its proposal and who are necessary to fulfill the requirements of the contract as "key personnel". No substitutions may be made except in accordance with this clause.

(b) The Contractor understands that during the first 90 days of the contract performance period, no personnel substitutions will be permitted unless these substitutions are unavoidable because of the incumbent's sudden illness, death or termination of employment. In any of these events, the Contractor shall promptly notify the Contracting Officer and provide the information described in paragraph (c) below. After the initial 90 day period, the Contractor must submit to the Contracting Officer all proposed substitutions, in writing, at least 15 days in advance (120 days if security clearance must be obtained) of any proposed substitution and provide the information required by paragraph (c) below.

(c) Any request for substitution must include a detailed explanation of the circumstances necessitating the proposed substitution, a resume for the proposed substitute, and any other information requested by the Contracting Officer. Any proposed substitute must have qualifications equal to or superior to the qualifications of the incumbent. The Contracting Officer or his/her authorized representative will evaluate such requests and promptly notify the Contractor in writing of his/her approval or disapproval thereof.

(d) In the event that any of the identified key personnel cease to perform under the contract and the substitute is disapproved, the contract may be immediately terminated in accordance with the Termination clause of the contract.

The following are identified as key personnel: (list names)

SAMPLE 10 - ORGANIZATIONAL CONFLICT OF INTEREST

(a) Definitions - In this clause:

(i) "Contractor" means the firm signing this contract;

(ii) "System Supplier" means any firm engaged in or having a known or prospective interest in the development, production, or analysis of the weapon system, equipment or program which are identified in the statement of work of this contract.

(iii) "Affiliates" means employees or officers of the Contractor and first tier subcontractors involved in the performance of this contract, or in the decision making process concerning this contract.

(iv) "Interest" means organizational or financial interest.

(v) "Term of this Contract" means the period of performance plus any extensions thereto.

(b) Warranty Against Existing Conflicts of Interest

(i) The Contractor warrants that it and its affiliates do not have any contracts with or any substantial interest in the system suppliers identified in the statement of work of this contract, other than those disclosed to the Government and listed in the section L solicitation provision entitled "Notice of Inclusion of an organizational Conflict of Interest clause."

(ii) The Contractor recognizes that during the term of this contract additional weapon system, equipment or programs may be identified and added to the statement of work of this contract as a result of contract modifications. In such event, the Contractor agrees to immediately disclose to the Government information concerning any contract or interest between the contractor and its affiliates and any system supplier if the contract or interest arises during the term of this contract.

(iii) The Contracting Officer shall have the sole discretion to determine whether a potential organizational conflict of interest exists concerning any interest or contract which arises or is identified during the term of this contract. The Contracting Officer may take such steps as are necessary in the best interest of the Government to eliminate potential conflict of interest.

(c) Restrictions on Contracting

(i) The Contractor agrees that during the term of this contract, and for a period of 12 months thereafter, neither it nor its affiliates shall (1) enter into any contract for supplies, services or materials, related to the work under this contract with the system suppliers; (2) create for

themselves any interest in the system suppliers; (3) consult or discuss with the system supplier any aspects of work under this contract; or (4) furnish to the United States Government, either as a prime contractor or as a subcontractor any component of a system it has worked on or had access to under this contract.

(ii) The Contractor further agrees that neither it nor its affiliates will conduct a review nor make recommendations under this contract concerning any item which is the product of work performed by the Contractor or its affiliates under any other contract.

(d) Non-Disclosure of Proprietary Data

Certain information of a proprietary nature may be submitted to the Government by a system supplier. While performing under this contract, the prime contractor and any subcontractors may receive this information. The prime contractor and any subcontractors agree to use and examine this information exclusively in the performance of this contract and to take the necessary steps to prevent disclosure of such information to any party outside the Government, as long as it remains proprietary. The Contractor and the subcontractors agree to indoctrinate their affiliates who will have access to this information as to the proprietary nature of the information and the relationship under which they have possession of the information. Affiliates will also be informed that they may not engage in any other action, venture or employment where this information will be used for profit of any party other than the party furnishing this information. Additionally, the Contractor and subcontractors agree to execute agreements to this effect with companies providing proprietary data for performance under this contract. The Contractor and subcontractors will restrict access to proprietary information to the minimum number of employees for performance of this contract.

(e) Government Remedy

The Contractor agrees that any breach or violation of the warranties, restrictions, disclosures or non-disclosures set forth in this conflict of interest clause shall constitute a material and substantial breach of terms, conditions, and provisions of the contract and that the Government may, in addition to any other remedy available, terminate the contract for default.

SAMPLE 11 - ORGANIZATIONAL CONFLICTS OF INTEREST

a. Purpose. The primary purpose of this clause is to ensure that the Contractor (1) does not obtain an unfair competitive advantage over other parties by virtue of its performance of this contract, and (2) is not biased because of its current or planned interests (financial, contractual, organizational or otherwise) which relate to the work under this contract.

b. Scope. The restrictions described herein shall apply to performance or participation by the Contractor and any of its affiliate organizations or their successors in interest (hereinafter referred to collectively as the "Contractor") in the activities covered by this clause as a prime contractor, subcontractor, co-sponsor, joint venturer, consultant, or in any similar capacity.

(1) The restrictions set forth in paragraph (f) apply to supplies, services, and other performance rendered with respect to the Suppliers and/or Equipment listed on the Attachment. The contract will specify to which Supplier and/or Equipment subparagraph

(f) restrictions apply.

(2) The financial, contractual, organizational and other interests of Contractor personnel performing work under this contract shall be deemed to be the interests of the Contractor for the purposes of determining the existence of an Organization Conflict of Interest.

c. Waiver. Any request for waiver of the provisions of subparagraphs (f)(2), (f)(3), or (f)(6) of this clause shall be submitted in writing and shall set forth all relevant facts in support of the request for a waiver including proposed contractual safeguards or job procedures to mitigate conflicting roles which might produce an Organizational Conflict of Interest. No waiver shall be granted by the Government with respect to prohibitions pursuant to subparagraph (f)(4).

d. Disclosure of Potential Conflicts of Interest for Individual Orders.

(1) The Contractor agrees to disclose, in writing at anytime during performance of this contract, any relevant facts pertaining to work previously performed or presently being performed by the Contractor under private or Government contracts wherein the subject matter includes systems, components, technology or services identical or similar to that encompassed by the proposed delivery order and which might give rise to the appearance of a conflict of interest (as defined in paragraph (b) of this clause). Such disclosure should set forth all relevant facts including identification of contracts under which work was or is being performed.

(2) If any of the contracts identified pursuant to subparagraph (d)(1) contain an Organizational Conflict of Interest Provision, the Contractor may request a waiver of that provision and propose contractual safeguards or job procedures to mitigate conflicting roles which might produce an Organizational Conflict of Interest.

e. Definitions. For purposes of application of this clause only, the following definitions are applicable:

(1) "System" includes system; major component, subassembly or subsystem; project; or item.

(2) "Nondevelopmental items" are those items which have not been designed or developed by the Contractor.

(3) "Systems Engineering" (SE) includes a combination of substantially all of the following activities: determining specifications, identifying and resolving interface problems, developing test requirements, evaluating test data, and supervising design. Specific examples of SE include determining sizes of system components and maximum operational accuracy, establishing system performance specifications, solving interface problems to insure system compatibility, defining interfaces, analyzing subsystems for projections of design compromise, establishing test requirements, evaluating test data to

verify performance estimates and recommend design changes, setting program milestones and schedules and monitoring Contractor progress.

(4) "Technical direction" (TD) includes a combination of substantially all of the following activities: developing work statements, determining parameters, directing other contractors' operations, and resolving technical controversies. Specific examples of TD include such tasks as reviewing a Contractor's work, preparing work statements and tasks for other contractors consistent with appropriate development plans; monitoring of subsystem design work in critical areas; conducting organizational evaluation test; exchanging information on progress and problems; directing or planning for future work, and where necessary, modifying, realigning or redirecting a Contractor's technical effort; design engineering of subsystems; direct assistance to associate contractors; planning and developing ground support systems research, development, and operational phases of a program; directing test programs for a system, subsystem, and selected components; directing associate contractors to implement such research, development, and operational requirements as are appropriate and directing contractors in implementing reliability programs, and making technical evaluations and recommendations concerning technical proposals and specifications submitted by contractors.

(5) "Contracted Advisory and Assistance Services" (CAAS) are those services acquired from non-governmental sources to support or improve agency policy development or decision making; or, to support or improve the management of organizations or the operation of hardware systems. Such services may encompass consulting activities, engineering and technical services, management support services and studies, analyses and evaluations.

(6) "Contractor" means the firm signing this contract.

(7) "Affiliates" means officers or employees of the prime Contractor and first tier subcontractors involved in the program and technical decisions making process concerning this contract.

(8) "Interest" means organizational or financial interest.

(9) "Weapons system supplier" means any prime Contractor or first tier subcontractor engaged in, or having a known prospective interest in the development, production or analysis of any of the weapon systems, as well as any major component or subassembly of such system.

f. Contracting restrictions.

(1) To the extent the Contractor provides systems engineering and technical direction for a system or commodity but does not have overall contractual responsibility for the development, the integration, assembly and checkout (IAC) or the production of the system, the Contractor shall not (i) be awarded a contract to supply the system or any of its major components or (ii) be a subcontractor or consultant to a supplier of the system or of its major components.

(2) To the extent the Contractor prepares and furnishes complete specifications covering nondevelopmental items to be competitively acquired, the Contractor shall not be allowed to furnish these items or their major component including software either as a prime contractor or subcontractor. This rule applies to the initial production contract for such items plus a specified time period or event.

(3) To the extent the Contractor prepares or assists in preparing a statement of work to be used in competitively acquiring a system or services or provides material leading directly, predictably and without delay to such a work statement, the Contractor may not supply the systems, major components thereof or the services unless the Contractor is the sole source, or a participant in the design or development work, or one of several contractors involved in preparation of the work statement.

(4) To the extent work to be performed under this contract requires access to proprietary data of other companies, the Contractor must enter into agreements with such other companies which set forth procedures deemed adequate by those companies (i) to protect such data from unauthorized use or disclosure so long as it remains proprietary and (ii) to refrain from using the information for any other purpose other than that for which it was furnished. Evidence of such agreements must be made available to the PCO upon request. The Contractor shall restrict access to proprietary information to the minimum number of employees necessary for performance of this contract. Further, the Contractor agrees that it will not utilize proprietary data obtained from such other companies in preparing proposals (solicited or unsolicited) to perform additional services or studies for the United States Government.

(5) Preparation of Statements of Work or Specifications. If the Contractor under this contract assists substantially in the preparation of a statement of work or specifications, the Contractor shall be ineligible to perform or participate in any capacity in any contractual effort (solicited or unsolicited) which is based on such statement of work or specifications. The Contractor shall not incorporate its products or services in such statement of work or specifications unless so directed in writing by the Contracting Officer, in which case the restrictions in this subparagraph shall not apply.

(6) Contracted Advisory and Assistance Services (CAAS). If the Contractor provides CAAS services as defined in paragraph (e) of this clause, it shall be ineligible thereafter to participate in any capacity in Government contractual efforts (solicited or unsolicited) which stem directly from such work, and the Contractor agrees not to perform similar

work for prospective offerors with respect to any such contractual efforts. Furthermore, unless so directed in writing by the Contracting Officer, the Contractor shall not perform any such work under this contract on any of its products or services, or the products or services of another firm for which the Contractor performs similar work. Nothing in this subparagraph shall preclude the Contractor from competing for follow-on contracts for CAAS.

(7) Contractor Standard Commercial Items. Nothing in this paragraph shall preclude the Contractor from offering or selling its standard commercial items to the Government. "Standard Commercial Items" as used herein includes supplies and services of a class or kind which is used regularly for other than Governmental purposes and is sold or traded in substantial quantities to the general public in the course of conducting normal business operations.

(8) Contractor Items Currently Furnished. The Contractor, and its affiliates, shall not be restricted from furnishing, and continuing to furnish, any equipment or services that it or its affiliates are currently furnishing or have furnished in the past, nor will the Contractor, or its affiliates, be restricted from furnishing modifications or improvements to said equipments nor from furnishing interface equipments, programs or services in connection with said equipment. Further, the Contractor, and affiliates are not to be restricted from furnishing other equipment or services for this program that perform the same functions as those performed by equipment or services presently furnished by the Contractor or its affiliates for similar programs.

g. Government Data and Information. All Government data and information provided for performance of this contract shall be safeguarded and protected from any disclosure or other unauthorized use.

h. Remedies. In the event the Contractor fails to comply with the provisions of this clause, such noncompliance shall be deemed a material breach of the provisions of this contract. If such noncompliance is the result of conflicting financial interest involving Contractor personnel performing work under this contract, the Government may require the Contractor to remove such personnel from performance of work under this contract. Further, the Government may elect to exercise its right to terminate for default in the event of such noncompliance. Nothing herein shall prevent the Government from electing any other appropriate remedies afforded by other provisions of this contract, by applicable statutes or by applicable regulations.

i. Warranty Against Existing Conflict of Interest The Contractor warrants that neither the prime Contractor nor any first tier subcontractors have any contracts with or any interests in a weapons system supplier referenced in paragraph (a)(2) above, other than those disclosed pursuant to the clause, "Organizational Conflicts of Interest Certification". The Contractor recognizes that during the term of this contract, additional weapons system suppliers may be identified. In such an event, the Contractor agrees to disclose to the Government information concerning any contract or interest between the Contractor or its affiliates and any weapons system supplier if the Contractor or interest arises during the term of this contract. Such information must include:

1. the identity of the weapons system supplier;
2. a description of the work to be performed under the contract with the weapons system supplier;
3. the dollar amount of the contract or interest;
4. the period of performance.

SAMPLE 12 - PROCEDURES & SELECTION CRITERIA FOR ORDERS

1. The Ordering Officer will request a quotation on a competitive basis (including technical information as needed-either written or oral) from all the awardees.
 2. Quotations will be evaluated for cost realism, cost reasonableness and other factors (if applicable).
 3. Unless otherwise specified in the RFQ for the order, the order will be issued to the company with the lowest evaluated price.
 4. When award of an order will be made based on factors other than price, these factors and their relative importance will be identified in the RFQ for the order.
- No protest under subpart 33.1 is authorized in connection with the issuance of an order under a task order contract except for a protest on the grounds that the order increases the scope, period, or maximum value of the contract.

SAMPLE 13 - MULTIPLE AWARD ORDERING SELECTION CRITERIA

1. The Contracting Officer's Representative (COR) will issue a Letter of Intent for a Task to be performed to Contract Awardees, which includes the Statement of Work (SOW), the period of performance and the proposal due date. Awardees shall prepare and submit an original proposal to the Contracting Officer and a copy to the COR. The proposal will consist of the following:
 - a. Contractor's name;
 - b. Contract number;
 - c. Task to be performed;
 - d. Proposed labor hours by category with fixed labor rates and extended cost;
 - e. Material costs with fixed material handling rate applied;
 - f. Travel costs with fixed G&A rate applied;
 - g. Total price proposed.
2. In accordance with FAR Subpart 16.505 (Ordering) and to provide awardees a fair opportunity to be considered for each order, the Contracting Officer will make a final decision based on:
 - a. Time: The period of performance of the Order;
 - b. Personnel: The experience and availability of contractor personnel;
 - c. Price: The total price proposed for the Order.

SAMPLE 14 - ORDERING -- MULTIPLE AWARD INFORMATION

(1) Except as provided below, for orders issued under this contract, each awardee shall be provided a fair opportunity to be considered for each order in excess of \$2,500.00. In considering fair opportunity to be considered for each order, such factors as past performance, quality of deliverables, cost control, etc. will be considered. The Government may use oral proposals and streamlined procedures in selecting awardees. The ordering officer need not contact each multiple awardee if the ordering officer has information available to ensure that each awardee is fairly considered.

(2) Awardees need not be given an opportunity to be considered for a particular order in excess of \$2,500.00 under multiple delivery order/task order contracts if the ordering officer determines that:

(i) The agency needs for such supplies or services is of such urgency that providing such opportunity would result in unacceptable delays;

(ii) Only one such contractor is capable of providing such supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized;

(iii) The order should be issued on a sole source basis in the interest of economy and efficiency as a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order;

(iv) It is necessary to place an order to satisfy a minimum guarantee; or

(v) The ordering officer determines in writing that it is in the best interest of the government to do so.

SAMPLE 15 - ISSUANCE OF TASK ORDERS

SUSTAINING - Individual tasks will not be separately defined under the sustaining performance of the contract. The Contracting Officer will issue a comprehensive Task Order identifying the scope of work and range of capabilities required to sustain performance. The COR will issue a SOW and provide technical direction that reflects those comprehensive work requirements as well as the accepted approach proposed by the contractor. The progress and quality of work accomplished under this Task Order will be reviewed on a monthly basis. Sustaining tasks are expected to remain in effect for the period of performance specified (e.g., one year). On an annual basis the SOW and labor requirements will be jointly reviewed by the government and contractor to identify requisite changes and modifications. Changes will be reflected during the coming option period.

DISCRETE - Individual tasks will be separately defined under the discrete portion of the contract. Discrete performance shall be associated with individual project requirements unique, or otherwise separate from the sustaining portion of the work. The COR will identify these work requirements in conjunction with the contractor's Project Manager. A SOW, labor mix, and discrete period of performance will be identified for each individual task. The contractor shall prepare a Task Action Plan (TAP) within five (5) days and submit this to the COR. These tasks shall be reviewed for quality and progress on a monthly basis. The responsibility for Discrete

Tasks shall be within the functional area (e.g., engineering, logistics, operations) of origination. Contractor oversight and responsibility for performance of these tasks shall also fall within the respective area. Discrete tasks shall not exceed one year duration as a period of performance.

SAMPLE 16 - PRICE ADJUSTMENTS IN THE OPTION YEARS FOR CHANGES IN WAGE DETERMINATIONS

(a) General. Where, as a result of the Department of Labor (DOL) determination of minimum prevailing wages and fringe benefits applicable at the beginning of the renewal option period, the Contractor increases or decreases wages or fringe benefits of employees working on this contract to comply with the wage determination, the affected contract unit prices adjustments will be limited to increases or decreases in wages or fringe benefits as described above, and the concomitant increases or decreases in social security and unemployment taxes and workmen's compensation insurance, but shall not otherwise include any amount for general and administrative costs, overhead, or profits. The Contractor warrants that the prices set forth in this contract do not include any allowance for any contingency to cover increased costs for which adjustment is provided herein.

(b) Payroll Records and Documentation. When requested, the Contractor shall provide to the Contracting Officer any payroll records and documentation for Service Contract Act work required by the Contracting Officer to verify information concerning wages, hours expended, or price adjustments.

(c) Payroll Information. The Contracting Officer will notify the Contractor of any increase or decrease in the wage determinations applicable to this contract. The Contractor shall provide to the Contracting Officer, upon request, for each item in the Schedule of Deductions by trade, the wage rate paid, and the direct labor hours expended.

SAMPLE 17 - COST LIMITATION CEILINGS ON INDIRECT RATES

If an offeror proposes cost limitation ceilings on indirect rates the offeror is advised that the Government may evaluate the offeror's cost proposal accordingly. The decision to propose cost limitation ceilings is the offeror's decision. In the event the offeror proposes indirect rate limitations, these same ceiling rate limitations may be incorporated into any resultant contract without discussion. Under any cost reimbursement contract, the indirect rates billed shall be limited to the ceiling rate(s) identified in the contract. Any costs incurred above ceiling rates are not allowable.

SAMPLE 18 - NOVEL APPROACH TO INDIRECT RATE PRICING**SECTION B:**

Cost Reimbursement Items	EST QTY	UNIT	UNIT PRICE	TOTAL EST AMOUNT
0017 Estimated material in support of CLIN 0016	1	LO	GOV EST	\$50,000.00**
0018 Material Handling Applicable to CLIN 0017: at _____ % rate	1	LO		\$ _____
0019 Estimated travel per diem in support of CLIN 0016	1	LO	GOV EST	\$50,0000.00**
0020 G&A applicable to CLIN 0019: at _____ % rate	1	LO		\$ _____

** Government Estimate. See instructions, Section "L".

SECTION G:**ADDITIONAL INSTRUCTIONS FOR SUBMISSION OF FINAL INVOICE**

Within 60 days of the completion of work called for under each task order issued under this contract, the Contractor shall submit a final invoice for actual hours incurred by labor category in performance of the work ordered and actual costs incurred for material, travel, and per diem (G&A and material handling costs inclusive) in performance of the work ordered. This contract has been awarded with a fixed G&A rate and fixed material handling rate, if applicable, not subject to redetermination for contract closeout purposes.

SECTION M:**PRICE EVALUATION**

Price will be evaluated by (1) adding the maximum hour extended price totals of the base year and all option years and (2) adding the General and Administrative and Material Handling price totals for material and travel of the base year and all option years.

SAMPLE 19 - EXPEDITING CONTRACT CLOSEOUT

(a) As part of the negotiated fixed price or total estimated amount of this contract, both the Government and the Contractor have agreed to waive any entitlement that otherwise might accrue to either party in any residual dollar amount of \$500 or less at the time of final contract closeout. The term "residual dollar amount" shall include all money that would otherwise be owed to either party at the end of the contract, except that, amounts connected in any way with taxation, allegations of fraud and/or antitrust violations shall be excluded. For purposes of determining residual dollar amounts, offsets of money owed by one party against money that would otherwise be paid by that party may be considered to the extent permitted by law.

(b) This agreement to waive entitlement to residual dollar amounts has been considered by both parties. It is agreed that the administrative costs for either party associated with collecting such small dollar amounts could exceed the amount to be recovered.

SAMPLE 20 - TURNOVER OF PERSONNEL

Continuity of Care. After the transition, the service provider shall seek to maintain a staff turnover rate of less than or equal to 30% for all Child Development Center and Child Care Center staff with direct caregiving responsibility.

SAMPLE 21 - CUSTOMER SATISFACTION

Customer Satisfaction. The service provider shall develop and implement a program to address sponsors' complaints. In addition, the service provider shall maintain satisfactory ratings on annual customer satisfaction surveys in all Child Development Programs at least equivalent to the rating in effect when the service provider began providing Child Development Programs.

SAMPLE 22 - ELECTRONIC REPORTING

The service provider shall develop and maintain a system for collecting and reporting information necessary to complete the Monthly Report Form for Child Development Center, Family Child Care and Child Care Center programs for each activity. The service provider shall submit an electronic version of the completed Monthly Report Forms (in the format provided) to the Contracting Officer's Representative (COR) by the tenth business day each month. Copies of these forms are provided in the Attachment entitled, "Child Development Program Monthly Reports." Upon contract award, an electronic version of these forms will be made available to the contractor.

The service provider shall develop and maintain a system that provides statistical information regarding child care requests, services provided by child care programs, and demographic information about sponsors and child care providers, as required by the COMNAVBASE San Diego Regional Commander.